

## **KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD**

### **Small Employer Health Options Program (SHOP) Subcommittee**

#### **Meeting Minutes**

**October 24, 2012**

#### **Call to Order and Roll Call**

The second meeting of the SHOP Subcommittee was held on Wednesday, October 24, 2012, at 10:00 a.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. Carrie Banahan, Executive Director of the Office of Kentucky Health Benefit Exchange, acting on behalf of Jeffrey Bringardner, Chair, called the meeting to order at 10:00 a.m. and the secretary called the roll.

Subcommittee Members Present: Jeffrey Bringardner, Chair (by phone), Dr. Richard Broeg (by phone), Dr. Joe Ellis (by phone), Edward Erway (by phone), Carl Felix, Shelley Gast, Jan Gould, Connie Hauser (by phone), Harry Hayes, Dr. Larry Tinius (by phone), and Bob Weiss.

Staff Present: Carrie Banahan, Miriam Fordham, Wanda Fowler, Bill Nold, Brenda Parker, Sherilyn Redmon, Melea Rivera, Gary Smith, and D.J. Wasson.

#### **Approval of Minutes**

A motion was made to accept the minutes of the October 8, 2012, meeting as submitted, seconded, and approved by voice vote.

#### **Participation Requirements for SHOP**

The subcommittee members discussed whether or not the SHOP Exchange should have participation requirements for the small employer group, Item 6.1d on the Exchange Blueprint application. This participation requirement would only apply to eligibility for an employer to participate in the SHOP Exchange. Maintaining the integrity of the SHOP Exchange and assuring consistency inside and outside of the Exchange were voiced as priorities by the members.

A motion was made to adopt a 75 percent participation requirement for the SHOP Exchange, seconded and approved by voice vote.

#### **Blueprint Item 6.1a: Level of Coverage Options in SHOP**

The subcommittee discussed the various levels of coverage options that the SHOP Exchange can make available to an employer. The SHOP could let an employer allow his or her employees to choose any plan on the SHOP Exchange or choose plans within a metal level. Additionally, an employer may limit the employee to a single plan with a single insurer. Adverse selection was raised as a major issue to be considered by the subcommittee in making this decision. The SHOP can promulgate regulations to limit the options available to employers and their employees.

Members were in agreement on providing maximum flexibility for employers to offer plans to their employees while preserving the financial integrity of the SHOP by avoiding adverse selection but were not ready to make a decision on this issue. A recommendation was made to have a discussion with the Department of Insurance actuaries on the implications on adverse selection of employers offering a range of metal levels to their employees.

**Other Business**

The next meeting of the subcommittee is scheduled for Wednesday, November 7, 2012, at 1:30 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. A call-in number will be available for members who are unable to attend.

**Adjournment**

The meeting was adjourned at 10:50 a.m.